MONTANA LEGISLATIVE HISTORY

Chapter 249 19 75

Bill H _____ S 48 Original bill & history ___C

H. Committee on Judiciary		S. Committee on Judiciary	
Hearing Date(s) Mar 14	✓ C	Hearing Date(s) Jan 18	✓ C
_____	___C	_____	___C
_____	___C	_____	___C
_____	___C	_____	___C
Date Out _____	___C		

Did this bill originate in an interim committee? ___Yes ___No

Committee _____ Report _____

Senate BILL NO. 48

INTRODUCED BY LYNCH

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE THAT AN AUTO LIABILITY INSURER MAY NOT REFUSE TO RENEW AN INSURANCE POLICY EXCEPT FOR NONPAYMENT OF PREMIUM OR SUSPENSION OR REVOCATION OF A DRIVER'S LICENSE; AMENDING SECTION 40-4409, R.C.M. 1947."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 40-4409, R.C.M. 1947, is amended to read as follows:

"40-4409. Advance notice required for nonrenewal -- exceptions -- exemptions. No insurer shall fail to renew a policy unless it shall mail or deliver to the named insured, at the address shown in the policy, at least thirty (30) days' advance notice of its intention not to renew. Such notice shall contain or be accompanied by a statement that upon written request made not later than one (1) month following the termination date of the policy of the named insured mailed or delivered to the insurer, the insurer will notify the insured in writing, within fifteen (15) days of his request, the reason or reasons for such nonrenewal; provided, however, that notwithstanding the failure of an insurer to comply with this section, the policy shall terminate on the effective date of any other replacement or succeeding automobile liability insurance policy procured by the insured, with respect to any automobile designated in both policies. This section shall not apply where the named insured has failed to discharge when due any of his obligations in connection with the payment of premiums for the policy, or the renewal thereof, or any installment payments therefor, whether payable directly to the insurer or its agent or indirectly under any premium finance plan or extension of credit. This section shall not apply in any of the following cases:

(a) If the insurer has manifested its willingness to renew.

(b) In case of nonpayment of premium; provided that, notwithstanding the failure of an insurer to comply with this section, the policy shall terminate on the effective date of any other insurance policy with respect to any automobile designated in both policies.

(c) If the insured's agent or broker has secured other coverage acceptable to the insured at least twenty (20) days prior to the anniversary date of the policy or termination of the policy period.

Renewal of a policy shall not constitute a waiver or estoppel with respect to grounds for cancellation which existed before the effective date of such renewal.

A notice of nonrenewal of a policy under this section is effective only when based on one or more of the reasons listed in section 40-4407(1)."

-End-

MINUTES OF THE MEETING
JUDICIARY COMMITTEE
JANUARY 18, 1975

The meeting was called to order by Senator Towe, Chairman, at 9:36 a.m. in Room 442 of the Captiol Building.

The following bills were discussed: SB 45
SB 48
SB 3
SB 6
SB 27

SB 48 Senator Lynch, from District 42 and sponsor of the bill, stated this bill is intended to end the practice of some insurance companies of arbitrary non-renewal by issuing policies on a monthly basis.

Boyce Clark, Miles City, representing the Independent Insurance Agents of Montana, expressed opposition to the bill. He presented examples of several driver's police records involving numerous citiations and suspensions of licenses within a two to three year span. He felt that other insurance alternatives were open to the drivers through various all driver policies. He stated these records indicate problems which would lead many companies to a non-renewal action.

SB 45 Senator Cetrone, from District 33 and sponsor of the bill stated the purpose of the bill is to provide for non-partisan election of District Court Clerks as they serve

non partisan.

Following the public hearing on SB 45 and SB 48, the Committee went into Executive Session.

SB 3 SENATOR TURNAGE MOVED THAT SB 3 DO PASS. THE MOTION PASSED UNANIMOUSLY ON A ROLL CALL VOTE (SENATOR BROWN EXCUSED).

SB 6 SENATOR TURNAGE MOVED SB 6 DO NOT PASS. Discussion about the bill, including points such as difficulty of obtaining witnesses, prosecution difficulties, and adequate health controls, followed.

SENATOR TOWE MADE A SUBSTITUTE MOTION TO AMEND THE AMENDMENT OF SB 6 FOLLOWING THE WORD "COMPENSATION" BY INSERTING "WHETHER SAID COMPENSATION IS, OR IS TO BE PAID, OR RECEIVED BY SAID PERSON". After discussion concerning the amendment and possible revisions of it, SENATOR TOWE WITHDREW HIS MOTION stating he felt the entire bill should be re-written.

SENATOR TURNAGE WITHDREW HIS MOTION THAT SB 6 DO NOT PASS.

SENATOR TURNAGE MOVED THAT CONSIDERATION OF SB 6 BE PASSED UNTIL AFTER JANUARY 29, 1975. THE MOTION CARRIED.

SB 27 SENATOR GREELY MOVED TO REQUEST A FISCAL NOTE ON SB 27. THE MOTION PASSED UNANIMOUSLY ON A ROLL CALL VOTE (SENATOR BROWN EXCUSED).

SENATOR TURNAGE MOVED TO ACCEPT THE AMENDMENTS TO SB 27. THE MOTION PASSED UNANIMOUSLY ON A ROLL CALL VOTE (SENATOR BROWN EXCUSED).

SENATOR TURNAGE MOVED SB 27 AS AMENDED DO PASS. THE MOTION CARRIED UNANIMOUSLY ON A ROLL CALL VOTE (SENATOR BROWN EXCUSED).

SB 48 SENATOR TURNAGE MOVED THAT SB 48 DO NOT PASS. AFTER DISCUSSION, SENATOR TURNAGE WITHDREW HIS MOTION.

Senator Towe suggested an amendment to the bill in Section 1, page 3, line 1 following the word "policy" inserting: "which has a term of less than six (6) months".

Senator Drake suggested altering the amendment in Section 1, page 3, line 1, following the word "section" by inserting ", which policy has a term of less than six (6) months,".

SENATOR TURNAGE MOVED TO ACCEPT SENATOR TOWE'S AMENDMENT AS ALTERED BY SUGGESTION OF SENATOR DRAKE. THE MOTION CARRIED UNANIMOUSLY (SENATOR BROWN EXCUSED) ON A ROLL CALL VOTE.

SENATOR TURNAGE MOVED SENATE BILL 48 DO PASS AS AMENDED. THE MOTION PASSED UNANIMOUSLY (SENATOR BROWN EXCUSED) ON A ROLL CALL VOTE.

SB 45 Senator Greely suggested Senator Cetrone work with the committee researcher to redraft the bill.

There being no further business, the meeting adjourned to reconvene Tuesday, January 21, 1975 at 9:30 a.m.

Thomas E. Towe

CHAIRMAN

Date Jan. 18, 1975 Senate Bill No. 48 Time

NAME	YES	NO
THOMAS E. TOWE	x	
JOE R. ROBERTS	x	
V.E. CETRONE	x	
MARGARET S. WARDEN	x	
ROBERT J. BROWN	excused	
GLEN L. DRAKE	x	
JEAN A. TURNAGE	x	
MICHAEL GREELY	x	

Secretary

/s/ homas E. Towe
Chairman

Motion: by Senator Turnage to accept Senator Towe's amendment

MR. PRESIDENT

We, your committee on: JUDICIARY

having had under consideration SENATE Bill No. 48

THOMAS E. [illegible]	X
JOE R. ROBERTS	X
V. B. COTRONE	X
MARGARET S. WA[illegible]	X
ROBERT J. BROWN	excused
GLEN L. [illegible]	X
JEAN A. [illegible]	X
MICHAEL [illegible]	X

Respectfully report as follows: That SENATE Bill No. 48

introduced bill be amended as follows:

1. Amend page 3, section 1, line 1
Following: "section"
Insert: ", which policy has a term of less than six (6) months;"

Secretary

[illegible]		
[illegible] R. R[illegible]		
[illegible].B. CE[illegible]		
MARGARET [illegible]	X	
ROBERT J. [illegible]		Excused
GLEN L. [illegible]		
JEAN A. TURNAC[illegible]	X	
MICHAEL GREELY	X	

Respectfully report as follows: That SENATE Bill No. 48

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1. Amend page 3, section 1, line 1
Following: "section"
Insert: ", which policy has a term of less than six (6) months""

Secretary /s/ [illegible] E. Towe
Chairman

Motion: by

AND AS SO AMENDED, DO PASS

~~XXXXX XXXXXXXXXXXXXXXXXXXXXXXXXXXX~~
(Indicate change in committee report)

Chairman

Date Jan. 18, 1975 Senate Bill No. 48 Time

NAME	YES	NO
THOMAS E. TOWE	x	
JOE R. ROBERTS	x	
V.E. CETRONE	x	
MARGARET S. WARDEN	x	
ROBERT J. BROWN	excused	
GLEN L. DRAKE	x	
JEAN A. TURNAGE	x	
MICHAEL GREELY	x	

Bill D. Robynol
Secretary

/s/ Thomas E. Towe
Chairman

Motion: by Senator Turnage that SB 48 do pass as amended

JUDICIARY COMMITTEE

March 14, 1975

The fifty-fifth meeting of the House Judiciary Committee was called to order in Room 436 of the Capitol Building at Helena, Montana on Friday, March 14, 1975 at 9:00 AM. Representative Herb Huennekens, chairman, presided. All members were present.

Bills scheduled for hearing this date were Senate Bills No. 48, 161 and 314, heard in this order.

SENATE BILL NO. 48 Senator Neil J. Lynch, District #42, is chief sponsor of this act to provide that an auto liability insurer may not refuse to renew an insurance policy except for nonpayment of premium or suspension or revocation of a driver's license. He stated this is a continuing pet project concerning insurance companies. He is trying to correct abuses of casualty insurance companies. Insurance companies started writing policies for one month only and people didn't know they were doing this. The high risk companies were guilty. He stated he agreed with amendment by Senate Judiciary Committee.

No proponents. No opponents. No closing.

In answer to question by Representative Anderson Senator Lynch replied that an insurance company can refuse to renew but on renewal policy they can't before less than six months. Representative Lester questioned what insurance companies think and was advised they no longer object and the high risk insurance companies don't have someone here this time.

Representative Meloy questioned why limit to six months. Senator Drake replied that the intent of bill was to get away from month by month renewals. Representative Meloy stated that we are making a policy determination that any policy for more than six months may not be renewed. Senator Lynch replied that there are some states that say that once you write insurance for someone you can only cancel for certain reasons. Chad Smith replied that their reason for this is in the long term policy the company won't write it. They don't want to force people to go to assigned risk. This way it is to the benefit of people that Senator Lynch is trying to protect.

Hearing was then closed.

SENATE BILL NO. 161 Senator Joe Roberts, District #11, is chief sponsor of this act to provide that persons qualified to serve as trial jurors be selected from the lists of registered voters. He introduced this bill to provide a different method of selecting trial jurors. He has recently learned that there might be a conflict in the statute according to Missoula. Tom Honzel

Joan Woodgerd, from the Secretary of State's office, explained that what is needed is another section which provides for when they draw the list. She feels you only need to amend 93-1503 if stay within the year. Discussion followed regarding age limits. Section 93-4102 is the selection of a juror.

Representative Moore moved to amend by striking page 2, subsections (1), (2) and (3) in their entirety, then in line 2 following "if" strike ":" and insert "he is". Motion carried with Representatives Meloy, Kimble, Vincent, Day, Seifert and Rasmussen absent. Rep. Seifert left a written vote of yes.

Motion AS SO AMENDED BE CONCURRED IN carried unanimously.

SENATE BILL NO. 48 Senator Lynch is chief sponsor of this act to provide that an auto liability insurer may not refuse to renew an insurance policy except for nonpayment of premium or suspension or revocation of a driver's license.

Representative Baeth moved BE CONCURRED IN. Motion carried with Representatives Yardley and Halvorson abstaining. Representatives Meloy, Kimble, Day, Vincent and Rasmussen absent. Representative Seifert left a written vote of yes.

SENATE BILL NO. 223 Representative Lory moved we defer action until committee can find out what happens to Representative Yardley's bill on the same subject. Motion carried.

SENATE BILL NO. 125 Senator Turnage is chief sponsor of this act classifying rules made under the Administrative Procedures Act as adjective or substantive rules.

Representative Kimble made a motion of BE NOT CONCURRED IN. Motion seconded by Representative Baeth. Motion carried with Representatives Hager and Moore voting no, Representative Scully abstained and Representatives Meloy, Vincent and Rasmussen absent.

SENATE BILL NO. 48

INTRODUCED BY LYNCH

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE THAT AN AUTO LIABILITY INSURER MAY NOT REFUSE TO RENEW AN INSURANCE POLICY EXCEPT FOR NONPAYMENT OF PREMIUM OR SUSPENSION OR REVOCATION OF A DRIVER'S LICENSE; AMENDING SECTION 40-4409, R.C.M. 1947."

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Renewal of a policy shall not constitute a waiver or estoppel with respect to grounds for cancellation which existed before the effective date of such renewal.

REFERENCE BILL

A notice of nonrenewal of a policy under this section, WHICH POLICY HAS A TERM OF LESS THAN SIX (6) MONTHS, is effective only when based on one or more of the reasons listed in section 40-4407(1)."

-End-